

# Market Participant Agreement

Approved with ERE Board Decision no. 63 of date 11/05/2017

The Electricity Market Purchase Agreement is signed today on date \_\_\_\_\_  
between the Parties:

- Transmission System Operator – Market Operator (TSO – MO ), registered in the Trade Register (National Registration Center), with Decision no. 31935, of date 14.07.2004 and Headquarters in: “Highway Tirana – Durrës, Km 9, Yrshek, Kashar, Tirana, Albania”, represented by \_\_\_\_\_, hereinafter referred as TSO-MO.

- Electricity Market Participant, registered in \_\_\_\_\_ No. \_\_\_\_\_  
and Headquarters in \_\_\_\_\_, represented by \_\_\_\_\_,  
hereinafter referred as \_\_\_\_\_.

## Chapter I General Provisions

### Article 1

1.1 TSO company in compliance with Law No. 43/2015 “ On Power Sector” article 53, point 1, is the only holder of Electricity Transmission License, issued by ERE with Decision No.24 of date 26.03.2009.

Based on the Albanian Electricity Market Rules, Chapter II, point 2.4, approved with ERE Board Decision No.139 of date 25.08.2016, one of TSO operations is that of Market Operator.

1.2 (Market Participant, Party of this Contract) \_\_\_\_\_  
in compliance with article 37, of Law No. 43/2015 “On Power Sector”, is holder of License issued by ERE with decision no. \_\_\_ of date \_\_\_\_\_.

Based on Chapter II of Albanian Electricity Market Rules, approved by ERE Board Decision, No. 139 of date 15.08.2016,

(the Market Participant, Party of this contract), \_\_\_\_\_  
in the function of \_\_\_\_\_ (according to the licensed activity) in the Albanian Electricity Market.

## Chapter II Purpose of the Agreement

### Article 2

2.1 This agreement regulates the relations between the parties who sign it, the TSO - MO and the Electricity Market Participant, as well as the designation of the obligations and rights deriving from their activity in the electric power market.

## **Chapter III**

### **The rights and obligations of the parties**

#### Article 3

- 3.1 The Parties agree to accept their respective role and function in the Electricity Market and engage implement with the appropriate care the laws, codes, rules and trading practices that regulate or have to do, with the Electric Power Sector and the Electric Power Market.
- 3.2 The Parties agree to establish and implement agreements and contracts with the Electricity Market Participants in conformity with the Market Rules.
- 3.3 The Parties, agree to exchange information and data in conformity with their respective rights and obligations for information in conformity with the Market Rules.
- 3.4. The Parties undertake to comply with the respective financial obligations, in accordance with the Market Rules and the Bilateral Agreements, concluded in accordance with them. In any case, the Parties shall not undertake the partial compensation of the obligations without reconciliation and approval of the other party.

## **Chapter IV**

### **Market Participant**

#### Article 4

- 4.1 The market participant agrees to comply at any time with the Market Rules, all accompanying technical codes and internal procedures of TSO-MO necessary for the operation of the Electricity Market.
- 4.2 All internal acts of the TSO - MO under clause 4.1, which the Participant will have to implement, will impose obligations that do not exceed the obligations set forth in the legal and sub-legal acts in the field of Electricity, and in the acts issued by the ERE.

#### Article 5

- 5.1 The market participant has the obligation to inform TSO-MO for every signed contract. He must submit to TSO-MO the information for each contract, identifying as follows:

- i. Identification of the contracting parties;
- ii. Delivery/withdrawal points;
- iii. Duration of the contract;
- iv. Contracted quantities.

These requests shall be implemented for all bilateral contracts including import/export contracts.

- 5.2 The contract signed between two market participants in the market, becomes effective after TSO-MO confirms its taking. TSO-MO shall confirm taking such a contract no later than 10 working days. The lack of confirmation within this deadline means that the contract is effective.

#### Article 6

The market participant shall submit to TSO-MO the notifications related with all net physical exchanges between the individual parties (contractual notification) or between the responsible parties for balancing, in order to physically realize the contractual obligations.

#### Article 7

- 7.1. The Market Participant shall submit to TSO-MO a Daily Program in compliance with the day ahead programming process as specified in the Grid Code, so that TSO determines the Daily Program form.
- 7.2. The form and way of submitting the daily program and the other ancillary procedures are object to be determined by TSO company in conformity with the Grid Codes and the Market Rules.

#### Article 8

- 8.1 The Market Participant shall be responsible for balancing to TSO for the whole generation, purchase, import, export, sale or consumption.
- 8.2 Electricity market participants may regulate the balancing responsibility by an agreement with the Transmission System Operator taking the status of the responsible party for balancing or by signing a contract for transferring the balancing responsibility to another balancing responsible party, being member of a balancing group, in conformity with the Market Rules. If this balance is not provided, or not realized on time, substance and form according to the obligations coming from the Market Rules and this Agreement from the responsible party, the Participant may require compensation.
- 8.3 Until the establishment of the balancing market, the tariffs for the realization of the balancing service shall be set according to the methodology approved by ERE. This methodology shall reflect the costs and they shall be public.
- 8.4 Where the Market Rules not define it, the responsibility shall be issued on the basis of the Civil Code.

## **Chapter V**

### **TSO – MO**

#### Article 9

- 9.1 TSO-MO has the right to require from the market participant all the necessary information, in conformity with the Electricity Market Rules, the Grid Code and accompanying Technical Codes, and the internal procedures and protocols of TSO-MO necessary for the functioning of the Electricity Market.

#### Article 10

- 10.1 TSO - MO is obliged to use the information ensured by the market participant, in conformity with the Electricity Market Rules, the Grid Code and accompanying Technical Codes, the internal procedures and protocols of TSO MO necessary for the operation of the Electricity Market.

#### Article 11

- 11.1 TSO-MO shall make available to each market participant any information regarding the operation of the electricity market not defined as confidential or commercially sensitive. Except of the definitions of point 11.1 and only the public interest and function deriving from the activity of Distribution System Operator (DSO) and the Universal Service Supplier (FSHU), TSO-MO shall give DSO and FSHU the data that these operators may require to maintain their services.

## **Chapter VI**

### **Entry into force and Settlement /Termination of the Agreement**

#### Article 12

- 12.1 The adoption of this agreement is a condition for participation in the Electricity Market. Signature will only be made by persons who are directly authorized under the Albanian legislation or by proxy, to represent each party.
- 12.2 This Agreement shall become effective and binding on the Parties at the date of its implementation.
- 12.3 This agreement is without deadline and the Participant may terminate it, by giving the prior notice to TSO-MO. TSO-MO by its side, may terminate the agreement only based on supported reasons and only after ERE's approval.

#### Article 13

- 13.1 A market participant may withdraw from the electricity market at his own initiative, based on a written notice, signed by the authorized representative of that participant. The notice must be submitted at least 3 months before the date, when the market participant's registration has to be canceled, and the agreement must be completed. Upon receipt of this notice, the TSO shall promptly inform all other market participants.

#### Article 14

If the participant may not fulfill all the conditions of the Market Rules then the participant or TSO-MO shall inform ERE within 10 working days from observing the conditions.

#### Article 15

OST-MO will suspend the commercial activities of participants if any of the following conditions are met:

- The market participant no longer fulfills one or more conditions required for registration as a market participant (as defined in the Provisions on Electricity Market Registration Provisions);
- The market participant no longer meets the requirements related to the financial guarantee or makes no other payments (provided in the Provisions on Electricity Market Registration Provisions);
- The market participant does not respect the Market Participation Agreement;
- The market participant, is constantly found guilty, for the failure to respect the market rules and all the applicable codes, for the Albanian electricity market or the financial agreement.

#### Article 16

If the market participant cannot prove that he has avoided the cause (cause) that caused his suspension during the period specified in the suspension notice, then the TSO-MO will proceed with the termination of the Market Participation Agreement.

If this decision of the TSO-MO is contested by the participant, then upon filing the complaint, the ERE will verify whether the reasons for the suspension of the commercial activities are justified and will make the decision within 15 business days of the receipt of the complaint.

The submission to the ERE of the Annex by the Market Participant suspends the implementation of the TSO s.a.'s decision, up to the decision of the ERE.

#### Article 17

If the market participant's registration is suspended then all the new (remaining) bids of the market participant will be automatically canceled for the entire suspension period.

## Article 18

- 18.1 TSO-MO shall terminate the Market Participation Agreement of a market participant in each of these cases:
- a. If the market participant no longer fulfills one or more of the conditions, required for registration as a market participant, (as defined in the Provisions on Electricity Market Registration Provisions);
  - b. If the market participant no longer meets the requirements, related to the financial guarantee, (as set out in the Provisions on Electricity Market Registration Provisions);
  - c. If the market participant does not respect the Market Participation Agreement;
  - d. If the market participant, is constantly guilty of failing to comply, with market rules, and all codes applicable to the Albanian electricity market.
- 18.2 The Market Participation Agreement shall be automatically and immediately revoked, when the license of the market participant is revoked by ERE.

## Article 19

Disputes between parties that have not been resolved amicably, will be left to the ERE's competence for judgement.

ERE will make its decision within 15 working days of receipt of the complaint. Despite the decision of the ERE, and upon reaching this decision, the parties have the right to address to the court for the judicial review of the conflicts. The competent court for reviewing the disputes, will be the Administrative Court.

This agreement is signed in three copies, one for the market participant and two copies for TSO-MO.

The form of this agreement is approved by ERE as "Market Participation Agreement", with decision no. \_\_\_\_\_ of date \_\_\_/\_\_\_/\_\_\_

Transmission System Operator

Market Operator